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RESERVE

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MILK MARKET INFORMATION BULLETIN  
CHATTANOOGA, TENNESSEE, MARKETING AREA

Volume 16

April 1972

Number 9

Released Pursuant to §1090.3 and §1090.85, USDA - AMS  
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411  
J. E. Bobo, Market Administrator

MARKET SUMMARY - APRIL 1972

The Chattanooga Order MINIMUM uniform producer prices per cwt. at pool plants for milk testing 3.5% butterfat are: Base Milk - \$6.25 and Excess Milk - \$4.96. The producer butterfat differential is 8.0 cents for each one-tenth of one percent above or below 3.5% test. This is a Base and Excess price increase of 5 cents and 13 cents respectively above April 1971.

In April 1972, 52.6% of the producer milk received by pool plants was priced in Class I at \$7.12 per cwt. and 47.4% was priced in Class II at \$4.96 per cwt. The April butterfat differential for Class I was 8.1 cents and Class II was 7.8 cents.

Total producer milk received during April 1972 was 38,634,315 pounds which is an increase of 55,461 pounds or 0.1% compared with April 1971. Deliveries of producer Base milk exceeded producer milk used in Class I by 14,105,041 pounds or percentagewise only 59.0% of Base milk was used in Class I. The April daily average deliveries from 749 producers was 1,719 pounds. This compares to 854 farms delivering a daily average of 1,506 pounds per day during April 1971.

SPECIAL SALES DATA

A survey was made for November 1971 on the size and type of milk containers and method of distribution of Class I items. This report is briefly summarized in the following tables for the three large volume items and the total market.

Fluid Item Survey - November 1971

	<u>Wholesale</u>		<u>Retail</u>		<u>Total Market</u>
	<u>Pounds</u>	<u>%</u>	<u>Pounds</u>	<u>%</u>	<u>Pounds - 100%</u>
Milk	3,749,572	98.1	272,574	1.9	14,022,146
2% Milk	4,013,157	98.1	78,804	1.9	4,091,961
Buttermilk	1,721,471	98.6	25,122	1.4	1,746,593
Other	1,415,442	96.6	49,939	3.4	1,465,381
Total	20,899,642	98.0	426,439	2.0	21,326,081

  

	<u>Paper</u>		<u>Plastic</u>		<u>Total Market</u>
	<u>Pounds</u>	<u>%</u>	<u>Pounds</u>	<u>%</u>	<u>Pounds - 100%</u>
Milk	7,692,339	54.9	6,329,807	45.1	14,022,146
2% Milk	1,541,028	37.7	2,550,933	62.3	4,091,961
Buttermilk	1,604,152	91.8	142,441	8.2	1,746,593
Other	1,390,968	94.9	74,413	5.1	1,465,381
Total	12,228,487	57.3	9,097,594	42.7	21,326,081

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## COMPARISON OF MILK RECEIPTS AND UTILIZATION

	% Apr. '72 Over Apr. '71	Apr. 1972	Mar. 1972	Apr. 1971
Number of Plants - Pool		7	6	7
- Non-Pool		14	15	13
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	+ 0.1	1,287,811	1,240,250	1,285,962
Other Source	+95.8	60,538	49,185	30,913
Other Federal Orders	+23.9	117,010	127,228	94,472
TOTAL MILK RECEIPTS	+ 3.8	1,465,359	1,416,663	1,411,347
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	+ 2.4	439,023	443,180	428,764
Skim	- 2.9	21,717	22,012	22,361
2% Milk	+13.6	138,234	138,562	121,661
Buttermilk	+ 4.0	57,909	58,703	55,701
Flavored Milk and Drink	+21.0	20,692	20,167	17,100
Creams (Sweet and Sour)	+10.2	3,638	3,737	3,302
Yogurt	+21.2	812	658	670
Sub-Total - Pkg. Products (Pool Plants)	+ 5.0	682,025	687,019	649,559
Other (Shrinkage, Inventory, etc.)		2,704	3,593	9,034
Sales to Non-Pool Plants		34,878	68,201	104,678
In-Area Sales by Non-Pool Plants	- 6.2	46,106	45,615	49,129
TOTAL CLASS I MILK	- 5.7	765,713	804,428	812,400
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	+12.5	58,255	54,447	51,787
Cottage Cheese	- 7.0	47,463	49,904	51,041
Powdered and Condensed Milk		19,883	7,029	5,550
Livestock Feed and Milk Dumped		7,840	9,433	7,929
Sub-Total - Used to Produce	+14.7	133,441	120,813	116,307
Shrinkage Class II		16,363	14,894	15,009
Other (Inventory Variation, etc.)		47,274	636	(8,791)
Bulk Sales to Non-Pool Plants		502,568	475,892	476,422
TOTAL CLASS II MILK	+16.8	699,646	612,235	598,947
Class I Pkg. Lbs. In Area - Pool Plants	+ 2.5	507,197	508,822	494,647
Class I Pkg. Lbs. Out of Area - Pool Plants	+12.9	174,828	178,197	154,912
Class I Pkg. Lbs. In Area - Non-Pool Plants	- 6.2	46,106	45,615	49,129
% Producer Milk of Gross Class I		168.2	154.2	158.3
% Producer Milk Priced in Class I		52.6	57.7	58.2

CLASS I DAILY AVERAGE POUNDS ON ROUTES IN THE MARKETING AREA  
BY OTHER ORDER PLANTS AND PARTIALLY REGULATED DISTRIBUTING PLANTS

	% '72/'71	Apr. 1972	Mar. 1972	Apr. 1971
Homo Milk	- 9.6	34,308	34,553	37,946
Skim	+ 7.4	318	240	296
2% Milk	+10.3	6,568	6,188	5,957
Buttermilk	-15.3	2,988	2,963	3,527
Flavored Milk & Drink	+39.0	1,880	1,631	1,353
Creams (Sweet & Sour)	-12.0	44	40	50
Total Daily Average Disposition	- 6.2	46,106	45,615	49,129
Number of partially regulated plants		2	3	1
Number of other order plants		12	12	12
Total Non-Pool plants		14	15	13



COMPUTATION OF PRODUCER UNIFORM BASE AND EXCESS PRICES  
AND WEIGHTED AVERAGE PRICE

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April 1972	Class %	Milk Pounds	Butterfat Test-%	Cwt. Price @ Test	Gross Value
Gross Class I		22,971,376	3.066		
Less Other Source		2,635,434	2.476		
Producer Milk Class I	52.6	20,335,942	3.142805	\$6.830672	\$1,389,081.50
Gross Class II		20,989,391	4.243		
Less Other Source		2,691,018	2.822		
Producer Milk Class II	47.4	18,298,373	4.451669	5.702302	1,043,428.49
TOTAL PRODUCER MILK (Cl.I + Cl.II)	100.0	38,634,315	3.762722		\$2,432,509.99
Add Fractional Adjustment					.14
Add Value of Class I Other Source and Producer Location Adjustment		4,029	0.00		9,068.89
Add ½ Producer-Settlement Fund Reserve					15,602.41
TOTAL VALUE AT TEST		38,638,344	3.762330	\$6.359438	\$2,457,181.43
Less Test over 3.5% @ 8.0¢ per point		38,638,344	.262330	0.209864	81,087.97
TOTAL UTILIZATION VALUE AT 3.5%		38,638,344	3.5	\$6.149574	\$2,376,093.46
Less Reserve Per \$1090.71 (f)		38,638,344		.049574	
WEIGHTED AVERAGE PRICE - 3.5% TEST		38,638,344	3.5	\$6.10	
Less FMP from Unregulated Supply Plants Allocated to Class I @ Wt. Av. Price		4,029		\$6.10	245.77
TOTAL PRODUCER MILK VALUE @ 3.5% TEST		38,634,315			\$2,375,847.69

BASE AND EXCESS PRICES

	Milk Pounds	Cwt. Price @ Test	Amount	
TOTAL PRODUCER MILK VALUE @ 3.5% TEST	38,634,315			\$2,375,847.69
Excess Producer Milk Used in Class I	-			
Excess Producer Milk Used in Class II	4,193,332	\$4.96	\$207,989.27	
UNIFORM EXCESS PRICE - 3.5% TEST	4,193,332	4.96		207,989.27
Total Value of Base Milk	34,440,983	6.294415		\$2,167,858.42
Less Producer-Settlement Fund Reserve	34,440,983	.044415		15,296.96
UNIFORM BASE PRICE - 3.5% TEST	34,440,983	\$6.25		\$2,152,561.46

APRIL 1972 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANTS  
BUTTERFAT DIFFERENTIAL 8.0¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	BASE	EXCESS	TEST-%	BASE	EXCESS	TEST-%	BASE	EXCESS
3.0	\$5.85	\$4.56	4.0	\$6.65	\$5.36	5.0	\$7.45	\$6.16
3.05	5.89	4.60	4.05	6.69	5.40	5.05	7.49	6.20
3.1	5.93	4.64	4.1	6.73	5.44	5.1	7.53	6.24
3.15	5.97	4.68	4.15	6.77	5.48	5.15	7.57	6.28
3.2	6.01	4.72	4.2	6.81	5.52	5.2	7.61	6.32
3.25	6.05	4.76	4.25	6.85	5.56	5.25	7.65	6.36
3.3	6.09	4.80	4.3	6.89	5.60	5.3	7.69	6.40
3.35	6.13	4.84	4.35	6.93	5.64	5.35	7.73	6.44
3.4	6.17	4.88	4.4	6.97	5.68	5.4	7.77	6.48
3.45	6.21	4.92	4.45	7.01	5.72	5.45	7.81	6.52
3.5	6.25	4.96	4.5	7.05	5.76	5.5	7.85	6.56
3.55	6.29	5.00	4.55	7.09	5.80	5.55	7.89	6.60
3.6	6.33	5.04	4.6	7.13	5.84	5.6	7.93	6.64
3.65	6.37	5.08	4.65	7.17	5.88	5.65	7.97	6.68
3.7	6.41	5.12	4.7	7.21	5.92	5.7	8.01	6.72
3.75	6.45	5.16	4.75	7.25	5.96	5.75	8.05	6.76
3.8	6.49	5.20	4.8	7.29	6.00	5.8	8.09	6.80
3.85	6.53	5.24	4.85	7.33	6.04	5.85	8.13	6.84
3.9	6.57	5.28	4.9	7.37	6.08	5.9	8.17	6.88
3.95	6.61	5.32	4.95	7.41	6.12	5.95	8.21	6.92

## CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf. Dif.	Cwt.	Bf. Dif.	Cwt.	Bf. Dif.
Apr. '71	\$6.04 2/	\$6.20	\$4.83	8.2¢	\$6.96	8.4¢	\$4.83	7.8¢
May	5.97 2/	6.17	4.77	8.0	6.98	8.1	4.77	7.8
June	5.95 2/	6.09	4.76	8.0	6.92	8.1	4.76	7.8
July	5.95 2/	6.09	4.77	8.0	6.91	8.1	4.77	7.8
Aug.	5.92	-	-	8.0	6.92	8.1	4.77	7.8
Sept.	6.30	-	-	8.0	6.92	8.1	4.83	7.8
Oct.	6.35	-\$	-	8.0	6.98	8.2	4.82	7.8
Nov.	6.25	-	-	8.0	6.97	8.2	4.84	7.8
Dec.	6.20	-	-	8.0	6.99	8.2	4.93	7.8
Jan. '72	6.22	-	-	8.0	7.08	8.2	4.97	7.8
Feb.	6.20	-	-	8.0	7.08	8.1	4.97	7.8
Mar.	6.23 2/	6.35	5.04	8.0	7.12	8.1	5.04	7.8
Apr.	6.10 2/	6.25	4.96	8.0	7.12	8.1	4.96	7.8
May	-	-	-	-	7.19	8.1	-	-
June	-	-	-	-	7.11	-	-	-

Date	PRICE QUOTATIONS			PRODUCER MILK USE (Daily Average)			
	Chi. 92° Butter	Chi. Area Powder	Minn/Wisc. Mfg. Milk	Class I		Class II	
	¢ Lb.	¢ Lb.	Cwt-3.5%	Pounds	Test-%	Pounds	Test-%
Apr. '71	67.78	29.19	\$4.83	749,022	3.23	536,940	4.46
May	67.78	31.57	4.77	751,952	3.18	604,745	4.25
June	67.78	31.55	4.76	696,375	3.19	545,571	4.27
July	67.78	31.63	4.77	693,356	3.22	543,645	4.25
Aug.	67.78	31.53	4.77	632,385	3.22	510,832	4.28
Sept.	68.13	31.63	4.83	872,513	3.28	336,032	4.84
Oct.	67.95	31.70	4.82	844,555	3.25	341,121	5.26
Nov.	67.94	31.61	4.84	795,557	3.28	407,740	5.22
Dec.	67.96	31.63	4.93	746,539	3.28	462,124	5.19
Jan. '72	67.79	31.31	4.97	736,232	3.25	488,801	5.16
Feb.	67.78	31.41	4.97	717,023	3.23	512,306	5.07
Mar.	67.78	31.44	5.04	715,940	3.18	524,310	4.79
Apr.	67.71	31.46	4.96	677,865	3.14	609,946	4.45

## SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLERS GROSS MILK 3/				PRODUCER DATA				
	No.	Total	Class I	Pool	No.	Total	Base	Average	Av. Per.
	Hdlers	Receipts	Use	Plants	Prod.	Delivery	Delivery	Test-%	Farm
Apr. '71	20	1,411,347	812,400	7	854	1,285,962	1,142,972	3.74	1,506
May	20	1,489,326	810,302	7	890	1,356,697	1,167,808	3.66	1,524
June	20	1,346,798	746,820	7	886	1,241,946	1,117,489	3.67	1,402
July	21	1,372,089	791,680	8	905	1,237,001	1,109,761	3.67	1,367
Aug.	20	1,286,252	724,933	7	792	1,143,217	-	3.69	1,443
Sept.	20	1,356,381	967,949	7	789	1,208,545	-	3.71	1,532
Oct.	20	1,334,666	943,324	7	789	1,185,676	-	3.83	1,503
Nov.	20	1,366,329	899,192	7	767	1,203,297	-	3.94	1,569
Dec.	21	1,376,893	838,001	7	767	1,208,663	-	4.01	1,576
Jan. '72	21	1,395,476	827,841	7	765	1,225,033	-	4.01	1,601
Feb.	21	1,396,971	811,826	7	761	1,229,329	-	4.00	1,615
Mar.	21	1,416,663	804,428	6	754	1,240,250	1,129,789	3.86	1,645
Apr.	21	1,465,359	765,713	7	749	1,287,811	1,148,033	3.76	1,719

1/ Excludes Premiums

2/ Weighted Average Price

3/ Other Source is Gross minus Producer; Class II is Receipts minus Class I